IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF LOUISIANA

THE STATE OF LOUISIANA, By and through its Attorney General, JEFF LANDRY, et al., PLAINTIFFS, v. JOSEPH R. BIDEN, JR., in his official capacity as President of the United States; et al., DEFENDANTS.	CIV. NO. 2:21-CV-00778-TAD **DECLARATION OF PROFESSOR TIMOTHY J. CONSIDINE**

I, Timothy J. Considine, declare as follows:

EDUCATION, EXPERIENCE, AND EXPERTISE

1. I am a Professor of Energy Economics with the School of Energy Resources and the Department of Economics at the University of Wyoming. I make this declaration in support of Plaintiffs' Motion for a Preliminary Injunction. This declaration is based on my personal knowledge, my review of cited materials, and my expertise and decades of experience in energy policy and analysis. I could and would competently testify to its contents if called to do so.

2. I earned a B.A. in Economics from Loyola University in 1975. After that, I earned an M.S. from Purdue University in Agricultural Economics in 1977, and Ph.D. from Cornell University in Natural Resources Economics in 1981.

3. I have held academic appointments at the University of Wyoming since 2008.

4. A true and accurate copy of my curriculum vitae, including my publications and testimony within the previous four years, is attached as Exhibit A.

5. I am an expert in the analysis of economic, statistical, and public policy issues in energy and regulated industries. I am being compensated at the rate of $400 per hour for my work as an expert on this case.

HARM FROM LEASING AND DRILLING MORATORIUM

6. On January 27, 2021, President Biden issued Executive Order 14008. Among other

things, that order imposes a moratorium on all oil and natural gas leasing activities on federal public lands and offshore waters. Louisiana, Alabama, Alaska, Arkansas, Georgia, Mississippi, Missouir, Montana, Nebraska, Oklahoma, Texas, Utah, and West Virginia have filed a complaint challenging Executive Order 14008 as unlawful under various provisions of the Administrative Procedure Act.

7. In December 2020, I produced a report under a consulting agreement with the Wyoming Energy Authority that examines fiscal and economic impacts of a moratorium or a ban on federal onshore oil and natural gas production. As relevant here, my report examined (1) the harm to State economies and jobs by a leasing and drilling ban, and (2) the reduction in oil production, economic activity, and state revenues due to foregone drilling under federal oil and gas leases. If it is not vacated, Executive Order 14008 threatens those very harms for Wyoming, New Mexico, Colorado, Utah, North Dakota, Montana, and Alaska. The specifics of those harms are spelled out below.

HARM TO STATE ECONOMIES

8. Most oil and natural gas produced in the United States in the last decade has occurred using a production technology known as hydraulic fracturing and horizontal drilling. This technology has unlocked large deposits of oil and gas previously thought to be unrecoverable.

9. Oil and natural gas wells that use this technology produce at high rates just after initial production but face steep production declines thereafter. This steep production decline curve has raised the importance of drilling new wells to offset the production declines from previously completed wells. As a result, the ongoing process of drilling new wells results in significant investments into the economies of each of the States where these types of wells exist. But the leasing moratorium in Executive Order 14008 threatens to curtail this ongoing investment activity.

10. Under the leasing moratorium, the State of Wyoming would lose significant oil and gas investments in its economy. In 2021-25, Wyoming would suffer an average annual investment loss of \$2.3 billion; in 2025-30 an average annual investment loss of \$4.76 billion; in 2031-35, an average annual investment loss of \$6.9 billion; and in 2036-40, an average annual investment loss of \$8.77 billion.[1]

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[1] Dr. Timothy J. Considine, *The Fiscal and Economic Impacts of Federal Onshore Oil and Gas Lease Moratorium and Drilling Ban Policies*, Professor of Energy Economic with the School of Energy Resources at the University of Wyoming vi (Dec. 2020), *available at* https://www.wyoenergy.org/wp-content/uploads/2020/12/Final-Report-Federal-Leasing-Drilling-Ban-Policies-121420.pdf.

11. Under the leasing moratorium, the State of New Mexico would lose significant oil and gas investments in its economy. In 2021-25, New Mexico would suffer an average annual investment loss of $2.6 billion; in 2025-30, an average annual investment loss of $3.59 billion; in 2031-35, an average annual investment loss of $4.68 billion; and in 2036-40, an average annual investment loss of $5.988 billion.[2]

12. Under the leasing moratorium, the State of Colorado would lose significant oil and gas investments in its economy. In 2021-25, Colorado would suffer an average annual investment loss of $586 million; in 2025-30, an average annual investment loss of $1.095 billion; in 2031-35, an average annual investment loss of $1.5 billion; and in 2036-40, an average annual investment loss of $1.87 billion.[3]

13. Under the leasing moratorium, the State of Utah would lose significant oil and gas investments in its economy. In 2021-25, Utah would suffer an average annual investment loss of $248 million; in 2025-30, an average annual investment loss of $406 million; in 2031-35, an average annual investment loss of $547 million; in 2036-40, an average annual investment loss of $698 million.[4]

14. Under the leasing moratorium, the State of North Dakota would lose significant oil and gas investments in its economy. In 2021-25, North Dakota would suffer an average annual investment loss of $279 million; in 2025-30, an average annual investment loss of $358 million; in 2031-35, an average annual investment loss of $467 million; and in 2036-40, an average annual investment loss of $601 million.[5]

15. Under the leasing moratorium, the State of Montana would lose significant oil and gas investments in its economy. In 2021-25, Montana would suffer an average annual investment loss of $56 million; in 2025-30, an average annual investment loss of $112 million; in 2031-35, an average annual investment loss of $169 million; and in 2036-40, an average annual investment loss of $224 million.[6]

16. Under the leasing moratorium, the State of Alaska would lose significant oil and gas

[2] *Id.*
[3] *Id.*
[4] *Id.*
[5] *Id.*
[6] *Id.*

investments in its economy. In 2021-25, Alaska would suffer an average annual investment loss of $412 million; in 2025-30, an average annual investment loss of $1.5 billion; in 2031-35, an average annual investment loss of $6.9 billion; and in 2036-40, an average annual investment loss of $13.4 billion.[7]

17. Under a leasing moratorium, the States of Wyoming, New Mexico, Colorado, Utah, North Dakota, Montana, and Alaska would lose a combined average of 58,676 jobs annually for the years 2021-25.[8]

18. Under a drilling ban, the State of Wyoming would lose significant oil and gas investments in its economy. In 2021-25, Wyoming would suffer an average annual investment loss of $2.7 billion; in 2025-30, an average annual investment loss of $4.9 billion; in 2031-35, an average annual investment loss of $7.07 billion; and in 2036-40, an average annual investment loss of $8.95 billion.[9]

19. Under a drilling ban, the State of New Mexico would lose significant oil and gas investments in its economy. In 2021-25, New Mexico would suffer an average annual investment loss of $3.1 billion; in 2025-30, an average annual investment loss of $3.7 billion; in 2031-35, an average annual investment loss of $4.78 billion; and in 2036-40, an average annual investment loss of $6.11 billion.[10]

20. Under a drilling ban, the State of Colorado would lose significant oil and gas investments in its economy. In 2021-25, Colorado would suffer an average annual investment loss of $700 million; in 2025-30, an average annual investment loss of $1.1 billion; in 2031-35, an average annual investment loss of $1.5 billion; and in 2036-40, an average annual investment loss of $1.9 billion.[11]

21. Under a drilling ban, the State of Utah would lose significant oil and gas investments in its economy. In 2021-25, Utah would suffer an average annual investment loss of $293 million; in 2025-30, an average annual investment loss of $419 million; in 2031-35, an average annual investment loss of $560 million; and in 2036-40, an average annual investment loss of $712 million.[12]

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[7] *Id.*
[8] *Id.* at 44.
[9] *Id.*
[10] *Id.*
[11] *Id.*
[12] *Id.*

22. Under a drilling ban, the State of North Dakota would lose significant oil and gas investments in its economy. In 2021-25, North Dakota would suffer an average annual investment loss of $336 million; in 2025-30, an average annual investment loss of $370 million; in 2031-35, an average annual investment loss of $477 million; and in 2036-40, an average annual investment loss of $613 million.[13]

23. Under a drilling ban, the State of Montana would lose significant oil and gas investments in its economy. In 2021-25, Montana would suffer an average annual investment loss of $66 million; in 2025-30, an average annual investment loss of $115 million; in 2031-35, an average annual investment loss of $173 million; and in 2036-40, an average annual investment loss of $229 million.[14]

24. Under a drilling ban, the State of Alaska would lose significant oil and gas investments in its economy. In 2021-25, Alaska would suffer an average annual investment loss of $456 million; in 2025-30, an average annual investment loss of $1.57 billion; in 2031-35, an average annual investment loss of $7.47 billion; and in 2036-40, an average annual investment loss of $13.8 billion.[15]

25. Under a drilling ban, the States of Wyoming, New Mexico, Colorado, Utah, North Dakota, Montana, and Alaska would lose a combined average of 72,818 jobs annually for the years 2021-25.[16]

Harm to State Revenue

26. A leasing moratorium would significantly lower oil and gas production and thus significantly reduce the ad-valorem tax revenue, federal royalty payments, and lease-bonus payments the States receive from leasing on public lands.[17]

27. Under the leasing moratorium, in 2021-25 the State of Wyoming would lose an average of $304 million annually in revenues; in 2025-30, $722 million; in 2031-35, $1.2 billion; and in 2036-40, $1.77 billion.[18]

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[13] *Id.*
[14] *Id.*
[15] *Id.*
[16] *Id.* at 44.
[17] *Id.* at viii.
[18] *Id.* at viii.

28. Under the leasing moratorium, in 2021-25 the State of New Mexico would lose an average of $946 million annually in revenues; in 2025-30, $1.76 billion; in 2031-35, $2.6 billion; and in 2036-40, $3.6 billion.[19]

29. Under the leasing moratorium, in 2021-25 the State of Colorado would lose an average of $59 million annually in revenues; in 2025-30, $126 million; in 2031-35, $200 million; and in 2036-40, $279 million.[20]

30. Under the leasing moratorium, in 2021-25 the State of Utah would lose an average of $27 million annually in revenues; in 2025-30, $59 million; in 2031-35, $92 million; and in 2036-40, $132 million.[21]

31. Under the leasing moratorium, in 2021-25 the State of North Dakota would lose an average of $136 million annually in revenues; in 2025-30, $249 million; in 2031-35, $358 million; and in 2036-40, $489 million.[22]

32. Under the leasing moratorium, in 2021-25 the State of Montana would lose an average of $40 million annually in revenues; in 2025-30, $93 million; in 2031-35, $ 146 million; and in 2036-40, $203 million.[23]

33. Under the leasing moratorium, in 2021-25 the State of Alaska would lose an average of $100 million annually in revenues; in 2025-30, $454 million; in 2031-35, $1.88 billion; and in 2036-40, $4.4 billion.[24]

34. Under a drilling ban, in 2021-25 the State of Wyoming would lose an average of $345 million annually in revenues; in 2025-30, $746 million; in 2031-35, $1.25 billion; and in 2036-40, $1.8 billion.[25]

35. Under a drilling ban, in 2021-25 the State of New Mexico would lose an average of $1.2 billion annually in revenues; in 2025-30, $1.87 billion; in 2031-35, $2.7 billion; and in 2036-40, $3.77

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[19] *Id.* at viii.
[20] *Id.* at viii.
[21] *Id.* at viii.
[22] *Id.* at viii.
[23] *Id.* at viii.
[24] *Id.* at viii.
[25] *Id.* at viii.

billion.[26]

36. Under a drilling ban, in 2021-25 the State of Colorado would lose an average of $73 million annually in revenues; in 2025-30, $132 million; in 2031-35, $205 million; and in 2036-40, $285 million.[27]

37. Under a drilling ban, in 2021-25 the State of Utah would lose an average of $33 million annually in revenues; in 2025-30, $62 million; in 2031-35, $95 million; and in 2036-40, $135 million.[28]

38. Under a drilling ban, in 2021-25 the State of North Dakota would lose an average of $175 million annually in revenues; in 2025-30, $264 million; in 2031-35, $369 million; and in 2036-40, $499 million.[29]

39. Under a drilling ban, in 2021-25 the State of Montana would lose an average of $42 million annually in revenues; in 2025-30, $94 million; in 2031-35, $148 million; and in 2036-40, $205 million.[30]

40. Under a drilling ban, in 2021-25 the State of Alaska would lose an average of $106 million annually in revenues; in 2025-30, $465 million; in 2031-35, $1.97 billion; and in 2036-40, $4.5 billion.[31]

SPILLOVER HARMS

41. A moratorium on leasing, and a constructive ban or significant delay on drilling permits, may also have significant spillover effects on State and private lands.[32]

42. First, State and private lands will be affected by a moratorium or a ban because tracts of federal, State, and Tribal lands are interspersed in a checkerboard pattern, meaning a moratorium or a ban on federal lands will inevitably affect the value of adjoining lands.[33]

43. Second, federal bans and moratoriums could apply to private and State lands subject to a communitization requirement if it is determined to be in the public interest.[34]

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[26] *Id.* at viii.
[27] *Id.* at viii.
[28] *Id.* at viii.
[29] *Id.* at viii.
[30] *Id.* at viii.
[31] *Id.* at viii.
[32] *Id.* at x.
[33] *Id.*
[34] *Id.*

44. If these spillover harms do emerge, the fiscal and economic losses stemming from a drilling ban and leasing moratorium would rise linearly with the shares of private and State lands tied to economic regulation. In other words, a 10 percent spillover effect would increase fiscal and economic losses by 10 percent.[35]

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES OF AMERICA AND THE STATE OF LOUISIANA THAT THE FOREGOING IS TRUE AND CORRECT.

Executed in Laramie, Wyoming this 30th day of March, 2021.

TIMOTHY J. CONSIDINE

[35] *Id.*